

**Audit of Accounting System and
Related Internal Controls**

August 2003

Reference Number: 2003-1C-188

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.




INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

August 26, 2003

MEMORANDUM FOR DAVID A. GRANT
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

FROM: Daniel R. Devlin 
Assistant Inspector General for Audit (Headquarters Operations
and Exempt Organizations Programs)

SUBJECT: Audit of Accounting System and Related Internal Controls
(Audit 200310002.043)

The Defense Contract Audit Agency (DCAA) examined the contractor's overall accounting system controls as of July 30, 2003. The purpose of the examination was to assure that the contractor's system of accounting controls is adequate to provide costs that are reasonable and compliant with applicable laws and regulations. The examination was also used to evaluate the contractor's compliance with the system's internal control requirements.

The DCAA stated that the overall accounting system and related internal control policies and procedures of the contractor are adequate. However, the DCAA noted that the contractor does not maintain written policies and procedures concerning several processes and functions performed as part of the overall accounting system. Although not considered to be a significant deficiency at this time, the DCAA believes that the deficiency should be communicated to the management of the contractor.

The information in this report should not be used for purposes other than those intended without prior consultation with the Treasury Inspector General for Tax Administration regarding their applicability.

If you have any questions, please contact me at (202) 622-8500 or John R. Wright, Director at (202) 927-7077.

Attachment

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 U.S.C. § 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

The TIGTA seal was removed due to its size.